

Chapter 7

Termination of Employment

TERMINATING EMPLOYMENT

Any member of the Judge's Retirement System who has ceased employment with the Judicial System and is not age 65 may have one of the following options:

- Leave their account on an inactive basis, continue to earn interest and apply for monthly retirement benefits as early as age 55 (benefit would be actuarially reduced).
- Receive a refund of their entire account
- Transfer the taxable portion of their account directly to another qualified plan or IRA with the after tax portion refunded to the member.
- Transfer a percentage of the taxable portion of the account directly to another qualified plan or an IRA with the remainder refunded to the member.

Effective January 1, 1993, we are required to withhold Federal income tax at the rate of 20% of the taxable portion of a member's refund unless the member authorizes this office to transfer the taxable portion of the account directly to a 'qualified retirement plan' or Individual Retirement Account (IRA).

The before tax portion of a refund includes contributions made to retirement AFTER January 1985 and the interest the account has earned.

Any member of the Judge's Retirement System who has ceased employment with the Judicial System and is age 65 or older has the following option:

- Apply for a monthly retirement benefit.

DEATH BENEFITS

Death benefits vary depending on the status of the member's account at the time of death. The Retirement Office should be notified as soon as possible when a death of a member occurs. We will then contact the beneficiary or surviving spouse regarding their options. The spouse of a member is entitled to death benefits whether the member has listed his or her spouse on the Membership Registration form or not.

BEFORE RETIREMENT

If the member had **less than five years** of creditable service, a refund, which would consist of the member's contributions, plus interest, would be made to the first named beneficiary or estate.

If the member had **five or more years** of creditable service, the surviving spouse is entitled to receive a monthly benefit paid as a joint and survivor benefit or a lump sum payment of the member's contributions, plus interest.

If the spouse elects to receive a monthly retirement benefit, and the member is under age 65 when they die, the Joint and Survivor benefit would be calculated as if the member had retired at age 65.

The spouse must exercise their option (lump sum refund or monthly retirement benefit) within 90-days of the member's death. If the election is not made within 90-days, the only option available to the spouse is a lump sum payment of the member's contributions, plus interest.

NOTE: If a member applies for a refund of their account and dies before payment is made, the beneficiary designation they have on file is not valid. The refund they requested would be paid to their estate.

AFTER RETIREMENT

If a member's death occurs after retirement, payment is made to their spouse or beneficiary based on the option selected at retirement.

Proof of death is required before payment can be made.